

St Luke's Oxford
Report and Accounts

31 March 2007

Company number
1989868

Charity registration number
293522



Nick Westbury & Co Limited

Business Advisers • Chartered Certified Accountants • Registered Auditors



St Luke's Oxford

Report of the Council

The members of Council present their annual report and accounts for the year ended 31 March 2007 in compliance with the current statutory requirements and the company's Memorandum and Articles of Association

Activities and strategy

The relief and care of the elderly, sick, disabled and poor within the pastoral framework of a Christian foundation. The Council's strategy is to maintain and improve the quality of life for those older persons requiring long term nursing care. Success is measured by the growing number of persons wishing to become patients and from the feedback gained from current and past patients. The results for the year are set out on page 7

Results and achievement of objectives

The surplus for the year amounted to £259,191 (2006 £304,563). The apparent decrease in the surplus arose principally from the investment of funds into upgrading the premises. The average occupancy level for the year was 84.5% (2006 80%). The surplus achieved will be reinvested in the charity to continue the provision of high quality patient services and the upgrading of the fabric of the buildings. During the year the charity received an exceptional donation from the estate of the Rev. T Holmes. These funds were used to purchase electric beds for all rooms.

Governance and internal control

A panel comprising existing Council members selects members of the Council. Appointment is subject to the approval of Council. Appointees are interviewed by the Chairman and one other Council member and provided with full information about the charity before being invited to join the Council. Council members serve for a three year period and may be re-elected. The Council meets four times a year. The Finance Committee is made up of Council members and usually meets monthly. The Committee operates under specific terms of reference, under which certain functions are delegated from the Council. The Committee has its decisions ratified by the full board. The Council delegates the day to day running of St Luke's to the Executive Management Team who operate under the direction of the General Manager within the framework of the Annual Budget. The Council approve the Annual Budget which embodies the strategy for each year. Operational decisions are then made by the Executive Management Team except where expenditure in excess of £10,000 is involved, which requires the approval of Council.

The Council members have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. These systems should provide reasonable assurance that

- the charity is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- proper records are maintained and financial information used within the charity, or for publication, is reliable, and
- the charity complies with relevant laws and regulations

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include

- a five year plan and annual budget approved by the Council,
- regular consideration by the Council of financial results, variance from budgets,
- delegation of authority and segregation of duties, and
- appropriate training and development of staff

St Luke's Oxford

Report of the Council

Care standards Act 2000

The Council and Executive Management Team have taken steps to ensure that the organisation complies with applicable requirements of the Care Standards Act 2000. The regulating authority is the Commission for Social Care Inspection (CSCI).

Reserves Policy

The charity's policy is to build reserves to provide for the long term future of the hospital. At 31 March 2007 unrestricted reserves amounted to £3,251,242. However of this amount £2,073,203 is represented by fixed assets. The charity, after taking account of designated reserves, has free reserves at 31 March 2007 of £973,039. This compares to annual expenditure of £1,806,111 and annual salary costs of £1,149,319.

The charity wishes to continue to build reserves with a target of cash reserves equivalent to 6 months operating costs, with funds above that level being invested in longer term investments that meet the criteria of the Investments Policy that the Council will finalise during the year ended 31 March 2008. In addition funds will be designated to allow major refurbishment of the hospital as required. £205,000 has been designated for major refurbishments and alterations which are expected to take place during the year ended 31 March 2008.

Fixed assets

The Council has undertaken to obtain an up-to-date valuation of the charity's freehold land and buildings. Any increase in value will be reflected in the accounts for the year ended 31 March 2008.

Risk Statement

The charity has considered the major risks, which may affect the organisation, and has taken steps as far as possible to mitigate those risks, and will continue to monitor major risks on an ongoing basis.

Members of the Council in the year

Mrs S B S Homersham *	Chairman
Lady M Quinlan	
Professor Sir J Grimley Evans	
Mrs J Girvin	(resigned January 2007)
Mr P H Bagnall *	
Mrs C C Williams	
Mr N Talbot Rice	
Mr G M Wareing	
Mr R J S Hawes	
Mr S J Dare*	

**member of the Finance Committee*

Non - executive officers

Sir Ashley Ponsonby	President
Earl of Donoughmore	Vice President
Sir Mark Norman	Vice President

Executive management team

Miss C H Grogan	General Manager and Chief Executive Officer
Mrs Z Mason	Matron
Mr A J Barnes	Finance Manager

St Luke's Oxford

Report of the Council

Registered Office and principal office

4 Latimer Road
Headington
Oxford
OX3 7PF

Principal Bankers

Lloyds TSB plc
PO Box 8
1-5 High Street
Oxford
OX1 4AA

Company Status

The company is limited by guarantee and has no shares. It is registered as a charity.

Council members responsibilities

The council members are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the council members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit for that period. In preparing those accounts, the council members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The council members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The council members confirm that the accounts comply with statutory requirements, the governing document and the requirements of the Statement of Recommended Practice - 'Accounting and Reporting by Charities' (revised 2005).

Disclosure of information to auditors

So far as each council member at the date of approval of this report is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the council members have taken all the steps necessary that they ought to have taken as council members in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

St Luke's Oxford
Report of the Council

Auditors

Nick Westbury & Co Limited
2 Tuckers House
Market Place
Deddington
Banbury
Oxon OX15 0SA

Nick Westbury & Co Limited offer themselves for re-appointment as auditors in accordance with section 384(1) of The Companies Act 1985

This report was approved by the council on 18 June 2007

S J Dare
Council member

A handwritten signature in black ink, appearing to read 'S J Dare', written over a horizontal line.

St Luke's Oxford

Independent auditors' report to the members of St Luke's Oxford

We have audited the accounts of St Luke's Oxford for the year ended 31 March 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to Council, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might report to you those matters you have required us to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Report of Council the company's directors (Council members) are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of Council is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities, we have assisted with the preparation of the accounts.


St Luke's Oxford

Independent auditors' report to the members of St Luke's Oxford

Opinion

In our opinion

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its surplus for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of Council is consistent with the accounts

A handwritten signature in black ink, appearing to read 'Nick Westbury & Co. Ltd', is written over the printed name.

Nick Westbury & Co Limited
Registered auditors

2 Tuckers House
Market Place
Deddington
Banbury
Oxon OX15 0SA

18 June 2007

St Luke's Oxford**Statement of Financial Activities (Income and Expenditure account)
for the year ended 31 March 2007**

	Notes	Unrestricted 2007 £	2006 £
Incoming resources			
Incoming resources from generated funds			
Voluntary income		51,044	2,041
Activities for generating funds		46,666	30,066
Incoming resources from charitable activities		1,964,727	1,986,320
Other incoming resources		2,865	2,544
<i>Total incoming resources</i>		<u>2,065,302</u>	<u>2,020,971</u>
Resources expended			
Charitable activities			
Patient services and facilities	3	1,535,285	1,444,188
Managing and administering the charity	4	267,526	269,220
Governance costs		3,300	3,000
<i>Total resources expended</i>		<u>1,806,111</u>	<u>1,716,408</u>
Net income		<u>259,191</u>	<u>304,563</u>
Net movement in the charity's funds in the year		259,191	304,563
Total funds brought forward		2,992,051	2,687,488
Total funds carried forward		<u>3,251,242</u>	<u>2,992,051</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the surplus for the above two financial years

St Luke's Oxford
Balance Sheet
as at 31 March 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	7	2,073,203	2,131,448
Current assets			
Stocks	8	3,200	3,983
Debtors	9	71,482	86,754
Cash at bank and in hand		1,219,209	921,149
		<u>1,293,891</u>	<u>1,011,886</u>
Liabilities			
Creditors amounts falling due within one year	10	(115,852)	(151,283)
Net current assets		<u>1,178,039</u>	<u>860,603</u>
		<u>3,251,242</u>	<u>2,992,051</u>
Funds of the charity			
Unrestricted income funds		3,251,242	2,992,051
Total charity funds	11	<u>3,251,242</u>	<u>2,992,051</u>



Mrs S B S Homersham
Council member
Approved by Council on 18 June 2007

St Luke's Oxford
Cash Flow Statement
for the year ended 31 March 2007

	Notes	2007 £	2006 £
Reconciliation of net incoming resources to net cash inflow from operating activities			
Net incoming resources (net income for the year)		259,191	304,563
Interest receivable		(46,666)	(30,066)
Depreciation charges		58,245	56,441
Decrease in stocks		783	200
Decrease/(increase) in debtors		15,272	(15,714)
(Decrease)/increase in creditors		(35,431)	25,064
Net cash inflow from operating activities		<u>251,394</u>	<u>340,488</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		251,394	340,488
Returns on investments and servicing of finance	12	46,666	30,066
Capital expenditure	12	<u>-</u>	<u>(38,296)</u>
		298,060	332,258
Increase in cash		<u>298,060</u>	<u>332,258</u>
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the period		298,060	332,258
Change in net debt	13	<u>298,060</u>	<u>332,258</u>
Net funds at 1 April		921,149	588,891
Net funds at 31 March		<u>1,219,209</u>	<u>921,149</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2007

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in compliance with applicable accounting standards and the Statement of Recommended Practice - 'Accounting and Reporting by Charities (revised 2005)'

Presentation

In order to present a true and fair view, the company has not followed the strict provisions for the Companies Act 1985 regarding the format of the Statement of financial activities, and has substituted more meaningful headings in place of those prescribed

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Freehold buildings	over 50 years
Mechanical and electrical equipment	over 2 to 3 years
Furniture and fittings	over 2 years
Medical equipment	over 3 to 4 years
X-ray equipment	over 5 to 10 years
Computer equipment	over 2 years
Leased assets	over the lease term

The Council has obtained a valuation of the freehold property on a going concern basis as at June 1997 of £2 25M. The Council decided in the year ended 31 March 2000 to adjust the accounts to reflect the valuation and the Council believe that the value of the property has not changed significantly since the valuation was obtained

The Council believes that the freehold property has a remaining useful economic life of 50 years from 1 April 1999, and has charged depreciation accordingly

Freehold property includes £1M of land which is not depreciated

Stocks

Stock is valued at the lower of cost and net realisable value

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2007

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Designated funds

From time to time where significant items of expenditure are identified as a part of Council strategy, unrestricted funds are designated to ensure that those items are appropriately funded.

2 Incoming resources

Incoming resources represents fee income from patients, rental income from consultants, donations and other sundry income.

3 Patient services and facilities	2007 £	2006 £
Nursing services	837,111	828,306
Medical supplies	34,064	34,785
Hotel services including catering and domestic	297,770	293,239
Premises and plant	366,340	287,858
	<u>1,535,285</u>	<u>1,444,188</u>

4 Managing and administering the charity	2007 £	2006 £
Salaries and office costs	176,664	179,454
Finance costs - other	1,319	1,253
Insurance	29,053	32,037
Miscellaneous	60,490	56,476
	<u>267,526</u>	<u>269,220</u>

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2007

5 Total resources expended	Staff costs	Depreciation	Other costs	Total
	£	£	£	£
Patient services and facilities	972,655	58,245	504,385	1,535,285
Managing and administrating the charity	176,664	-	90,862	267,526
Governance costs	-	-	3,300	3,300
	<u>1,149,319</u>	<u>58,245</u>	<u>598,547</u>	<u>1,806,111</u>

	2007	2006
	£	£
Specific costs include		
Auditors' remuneration	3,300	3,000
Depreciation	58,245	56,441
	<u>61,545</u>	<u>59,441</u>

6 Staff costs	2007	2006
	£	£
Wages and salaries	1,032,342	1,025,480
Employer's National Insurance	90,551	86,591
Pension contributions	26,426	25,662
	<u>1,149,319</u>	<u>1,137,733</u>

One employee earned £71,400 during the year, £11,400 of which were pension contributions to a defined contribution (personal) pension scheme

Average number of employees during the year	Number	Number
Patient services and facilities	68	69
Managing and administrating the charity	7	7
	<u>75</u>	<u>76</u>

No members of Council received any remuneration or reimbursement of expenses during the year

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2007

7 Tangible fixed assets

	Freehold land and buildings £	Mechanical and electrical equipment £	Other assets £	Total £
Cost				
At 1 April 2006	2,250,000	330,684	464,448	3,045,132
At 31 March 2007	2,250,000	330,684	464,448	3,045,132
Depreciation				
At 1 April 2006	175,000	281,990	456,694	913,684
Charge for the year	25,000	29,016	4,229	58,245
At 31 March 2007	200,000	311,006	460,923	971,929
Net book value				
At 31 March 2007	2,050,000	19,678	3,525	2,073,203
At 31 March 2006	2,075,000	48,694	7,754	2,131,448

Freehold land at valuation included above not depreciated	1,000,000
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	2007 £	2006 £
Freehold land and buildings		
Historical cost	2,070,897	2,070,897
Cumulative depreciation based on historical cost	-	-

8 Stocks	2007 £	2006 £
Food	1,200	1,983
Medical, maintenance, crockery and domestic	2,000	2,000
	3,200	3,983

9 Debtors	2007 £	2006 £
Trade debtors	43,151	50,876
Other debtors	7,703	4,814
Prepayments	20,628	31,064
	71,482	86,754

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2007

10 Creditors amounts falling due within one year	2007 £	2006 £
Trade creditors	41,331	30,619
Other taxes and social security costs	28,014	21,703
Other creditors	2,261	21,064
Accruals and deferred income	44,246	77,897
	<u>115,852</u>	<u>151,283</u>

11 Unrestricted funds	Unrestricted £	Designated £
At 1 April 2006	2,747,051	245,000
Income	2,065,302	-
Expenditure	(1,561,111)	(245,000)
Transfers	(205,000)	205,000
At 31 March 2007	<u>3,046,242</u>	<u>205,000</u>

During the year, £205,000 (2006 £245,000) of funds were designated by Council to provide for the major refurbishment and alteration works which are expected to take place during the year ended 31 March 2008

St Luke's Oxford
Notes to the Accounts
for the year ended 31 March 2007

12 Gross cash flows	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	<u>46,666</u>	<u>30,066</u>
Capital expenditure		
Payments to acquire tangible fixed assets	<u>-</u>	<u>(38,296)</u>

13 Analysis of changes in net debt

	At 1 Apr 2006 £	Cash flows £	Non-cash changes £	At 31 Mar 2007 £
Cash at bank and in hand	921,149	298,060	-	1,219,209
Total	<u>921,149</u>	<u>298,060</u>	<u>-</u>	<u>1,219,209</u>

14 Taxation

The company is a registered charity in accordance with section 505 of the Income and Corporation Taxes Act 1988, as such it is not liable to pay corporation tax on any surplus applied for charitable purposes